

4/19/00

Agenda Date:

Agenda Item:



STATE OF NEW JERSEY
Board of Public Utilities
Two Gateway Center
Newark, NJ 07102

AUDITS

IN THE MATTER OF BOROUGH OF BUTLER)
ELECTRIC COMPANY'S GROSS RECEIPTS) ORDER
FRANCHISE TAX FOR THE PERIOD)
JANUARY 1, 1990 – DECEMBER 31, 1998)
AUDIT NO. A-2860) DOCKET NO. EA00030153

(Service List Attached)

BY THE BOARD:

Pursuant to the New Jersey Board of Public Utilities' ("Board") Order, Docket No. ER97090656, dated December 16, 1998, et. al., the Board directed its Division of Audits, Bureau of Financial Audits ("Audit Staff" or "Staff"), to conduct an audit of the Borough of Butler Electric Company's ("Company") collections from customers and payments to the State of New Jersey Division of Taxation, under the prior Gross Receipts and Franchise Taxes ("GR&FT") Laws – P. L. 1991, c. 184. This audit was initiated in accordance with the order in implementation of the Energy Tax Reform Act ("ETRA") P.L. 1997, c. 162. The audit scope encompassed the period January 1, 1990 through and including December 31, 1998.

During the audit period, the Company reported an under collection in the amount of \$1,648,610. However, Audit Staff's review and analysis of the Company's documents showed that the Company under-collected in the aggregate amount of \$135,592. The Company agrees with Staff's findings.

Staff and the Company have prepared the attached Memorandum of Understanding, dated March 13, 2000, providing for the above agreement on the amount of under-collection. Both the parties have also agreed to present the Memorandum of Understanding to the Board for approval and/or resolution.

Based upon the review of this matter, the Board HEREBY ACCEPTS and APPROVES the Memorandum of Understanding between the Company and the Audit Staff.

The Board HEREBY ORDERS that the audit is considered to be closed.

DATE: April 19, 2000

BOARD OF PUBLIC UTILITIES
BY:

Signed

HERBERT H. TATE
PRESIDENT

Signed

CARMEN J. ARMENTI
COMMISSIONER

Signed

FREDERICK F. BUTLER
COMMISSIONER

ATTEST:

Signed

ACTING BOARD SECRETARY

SERVICE LIST

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